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Iowa Solar Energy System Tax Credit Information



Have you recently or are you currently installed a solar energy system for your home or business? If the system qualifies for a federal solar energy tax credit you may be eligible for an Iowa Solar Energy System Tax Credit.

The Iowa Solar Energy System Tax Credit is equal to a percentage of the federal solar energy tax credit. Each year, the State of Iowa awards up to \$5 million in solar energy tax credits on a first-come, first-serve basis. The popularity of the credits has led to the full \$5 million in credits being awarded each year. However, timely applications received are put on a “waiting list” for the next year’s credit allotment. This means that you may not actually get the credit in the year following the installation; you may get it in the subsequent year. You can receive the Solar Energy System Tax Credit for each “separate and distinct” solar installation. Each separate and distinct installation must qualify for the federal credit and be separately metered.

The amount of the credit depends upon the type of installation and the year in which it was completed. Each individual credit has a maximum amount or “limit.”



To receive the Iowa credit you must complete an application and receive a certificate from IDR. However, submission of a completed application at any time before the due date does not guarantee that you will be awarded a Solar Energy System Tax Credit.

The deadline to file a claim for credit for residential and business installations that occurred in 2014 and 2015 has passed. However, claims for those years are being allowed on a first-come, first-serve basis for the 2016 and 2017 award years, respectively. The credit amount for 2014 and 2015 installations is 60% of the federal credit for both residential and business installations, with \$5,000 and \$20,000 individual limits, respectively.

Beginning with installations that occur in 2016 and subsequent years, the credit will be as follows:

Installation Type	Year of Completion	% of Federal Credit	Individual Credit Limit	Application Deadline
Residential	2016 Or Later	50%	\$5,000	May 1, 2017 (and each May 1 thereafter)
Business	2016 Or Later	50%	\$20,000	May 1, 2017 (and each May 1 thereafter)



How do I apply for the Iowa Credit?

In order to apply, your solar energy system installation must be completed. **You must apply online with IDR by May 1st of the year after your installation.**

EXAMPLE: Bob and Betsy Thomas installed a new solar energy system on their rooftop. Their installation was completed September 27, 2016. Their application for an Iowa Solar Energy System Credit must be received by May 1, 2017.

You will want to have the following documents saved electronically so that you can upload them into IDR's online Tax Credit Tracking System:

- An invoice or other document showing the cost of the system;
- A copy of the "utility completion sheet^{*}" that you obtain from your utility company;
- The Tax Credit Applicant Certification form that you will create during the application process; and
- If you are applying for the credit for a business installation, documentation to verify the date the system was placed in service. The documentation may include approval of required license or permits or a letter from the utility company stating that you are connected to the power grid.

You can access the Tax Credit Tracking System online at: <https://taxcredit.iowa.gov/>

NOTE: Although you have the option to save a partially completed application and return to finish it later, a saved application is NOT considered submitted. Once an application is submitted, you can later sign into the system to track its status.

When your application is approved, IDR will mail you a Tax Credit Certificate with a certificate number on it. When you file your Iowa Income Tax return, you must report the certificate number on the IA 148 Tax Credits Schedule. Also, you must enter the amount of the credit on the appropriate line of the tax return. For individual returns, the credit is claimed on line 52 of the IA 1040. For corporate returns, include the credit on line 20 of the IA 1120.

If the amount of your credit is more than the amount of tax you owe, you may carry the remaining credit forward and apply it to any tax liability for the next ten years or until it's depleted, whichever is earlier. If the tax credit is issued to a partnership, limited liability company, S corporation, estate, or trust, the tax credit can be claimed by the individual based on the pro rata share of the income of the entity.

IDR recommends that you work with your tax preparer or attorney if you are uncertain about how to claim the credit on your return.

To learn about the amount of tax credits awarded under the program cap, select the [View Details](#) button under the description of the Solar Energy System Tax Credit on the [Tax Credit Tracking System home page](#).

^{*} If a completion sheet is not available from the local utility company, you can provide an alternate statement similar to that used to claim the federal credit.



Questions?

Email: idr@iowa.gov

Postal Mail:
Taxpayer Services
Iowa Department of Revenue
P.O. Box 10457
Des Moines, IA 50306-0457

Or call:
1-800-367-3388
515-281-3114
TDD - Deaf and hearing assistance: 515-242-5942
Monday - Friday 8 a.m. to 4:15 p.m.

<https://tax.iowa.gov>